

## Ofcom Consultation Response

### References

CSMG: Potential for more efficient spectrum use by wireless microphones, report prepared for Ofcom by CSMG, 4 November 2008, available online at

<http://www.ofcom.org.uk/radiocomms/dds/documents/wirelessmics.pdf>

BEIRG: Response to consultation on detailed award design, British Entertainment Industry Radio Group (BEIRG), 13 August 2003, available online at:

<http://www.beirg.org.uk/BEIRG%20response%20to%20DDR%20550-630%20MHz%20and%20790-854%20MHz%20condoc%20August%202008.pdf>

### Question 1

*Do you agree that clearing DTT from channels 61 and 62 and PMSE from channel 69 to align the upper band of cleared spectrum in the UK with the emerging digital dividend in other European countries is likely to further the interests of citizens and consumers to the greatest extent?*

Disagree strongly, decision needs to be deferred.

The situation in other European countries is still far from certain:

*“Other countries undergoing DSO are also grappling with how to accommodate the needs of the PMSE industry. International benchmarks indicate use of new spectrum or technology only in certain or limited cases.” (CSMG, page 12)*

*“The debate on how to balance the needs of PMSE users against those of other spectrum users is also occurring in many other countries. PMSE equipment is developed for multiple markets due to the relatively low scale of the industry. Therefore it is critical for developments in the UK to take into account general developments in other markets so that UK users have access to appropriate and at the lowest prices possible.” (CSMG, page 48)*

There are very significant concerns about the impact of proposed frequency rearrangements on PMSE. It is presently hard to see how this constitutes a “dividend” to PMSE users, as it has been suggested that spectrum availability will be reduced and more fragmented under current plans.

*“There will not be sufficient spectrum available for PMSE post-DSO in certain geographical locations for productions to maintain current production values. Furthermore, the spectrum that will be available for PMSE is highly fragmented dispersed and the pattern of fragmentation varies significantly between locations,*

*which will have a negative impact on both touring and static productions.” (BEIRG, page 16)*

Ofcom accepts that PMSE sector make a significant contribution to the UK, in both cultural and economic terms. It cannot be in the best interests of citizens and consumers to make long-term spectrum decisions that are likely to negatively impact the PMSE sector unless there are adequate proven mitigating factors in place. The European situation is far from certain yet. Until there is greater clarity about the final situation, there should be no clearance of PMSE from channel 69 (or any other spectrum).

## **Question 2**

*Do you agree that the proposed DTT migration criteria are proportionate and appropriate? If not, please explain why and clearly identify any other criteria you believe should be adopted and why.*

No response

## **Question 3**

*Do you have views on the options identified and our assessment of them? Do you believe there are other, superior options, and, if so, why? Do you agree that the hybrid option is most consistent with the DTT migration criteria?*

No response

## **Question 4**

*Do you have views on the implementation-timing options identified and our assessment of them? Do you agree that DSO-integrated implementation is most consistent with the DTT migration criteria? If not, why not?*

No response

## **Question 5**

*Do you agree that a programme-control and -governance arrangement such as that outlined above is appropriate?*

No response

## **Question 6**

*Do you agree that the four cost categories adequately capture the costs associated with clearing DTT from channels 61 and 62? Are there any costs that do not appear to have been accounted for in any of these categories?*

No response

### **Question 7**

*Do you agree that our cost profile is a reasonable basis for planning the capital expenditure for clearing DTT from channels 61 and 62?*

No response

### **Question 8**

*Do you agree that these are the most appropriate criteria to assess which spectrum is the best alternative to channel 69 for PMSE?*

Disagree as (a) Ofcom's interpretation of the criteria seems lacking and (b) a fourth criterion, timing, is needed.

We would emphasise the following in relation to these criteria

#### 1. Technical.

Current channel 69 radio microphones have the following characteristics:

- Audio quality – virtually indistinguishable from wired microphones
- Transmission range – adequate for virtually all applications
- Transmission reliability – no drop-outs or interference
- Equipment size – compact, lightweight, and suitable for purpose
- Battery life – typically 8 to 12 hours on standard alkaline batteries
- Ease of operation – easily able to be used by unskilled personnel
- Equipment lifespan and reliability – equipment rarely fails and can last 20 years with minimal maintenance
- Equipment maintainability – equipment can be serviced at moderate cost both to rectify failures and maintain performance
- Equipment availability – There are numerous manufacturers (both domestic and overseas) offering a wide range of products which are readily available through a number of UK distributors.
- Multi-system operation – multiple radio microphones can be used on different frequencies in the same location

The above features apply to even low-end equipment and are indicative of a mature technology with an established market. Any alternative spectrum or technology must be proven to provide at least the same level of performance.

## 2. Coverage.

The issue of relationship to other spectrum is essential. Currently, most radio microphones can tune across channels 67-69, enabling them to be used in larger systems. Channel 38 would only be benefit if it was part of a block of three adjacent channels that had widespread availability across the UK. Currently this is not yet certain and hence any decision must be deferred.

## 3. Economic.

Ofcom has recognised that PMSE makes a substantial contribution to the UK, both culturally and economically, however the fragmented nature of the industry mean that special consideration is needed in order to prevent market failure. Any changes must not involve additional costs to PMSE users, either for equipment replacement or modification, or ongoing spectrum licensing.

## 4. Timing.

The point at which alternative spectrum is made available is not the only issue. The availability of equipment is also key, and time must be allowed for any new equipment to be developed and field proven before a final decision is made on removing channel 69 access.

### **Question 9**

*Do you agree with our technical and coverage analysis of the possible alternatives to channel 69 for PMSE?*

Agree, emphasising the caveat about adjacent channel interference and the need for channels 39 and 40 to be generally available. Any decision must not be made before final channel allocations have been agreed and extensive field trials have taken place.

### **Question 10**

*Do you agree with our economic assessment of the realistic alternatives to channel 69 for PMSE?*

Disagree – a market-driven model is not appropriate here.

Ofcom has accepted that the PMSE industry is fragmented and so requires special consideration. Furthermore, there is no reason why free-market economics have to be applied to spectrum. Our view is that the spectrum should be allocated in a way that best benefits the nation, not on the basis of who is able to pay the most for it. We emphasise again that PMSE makes a substantial contribution to the UK and so it should receive an adequate allocation of spectrum.

### **Question 11**

*Do you agree that channel 38 is the best alternative to channel 69 for PMSE?*

Agree with reservations. Channel 38 should only be offered for PMSE if channels 39 and 40 are available and following extensive field trials (with DTT in adjacent channels).

### **Question 12**

*Do you agree that we should award channel 38 to the band manager on the same terms as would have applied to channel 69?*

Agree but cost to band manager should be no more than for channel 69 such that end-user license fees are no more than for channel 69. Also notice period should be substantial – at least five years.

### **Question 13**

*Do you agree with our proposal to maintain PMSE access to channel 36 on 12 months' notice to cease and to the rest of the cleared spectrum (channels 31-35, 37 and 61-69) until DSO is completed in the UK in late 2012?*

Agree but unsure of how much equipment operates on channel 36.

Even after DSO, there must be no eviction of PMSE and auction of spectrum until it has been confirmed by Ofcom and accepted by PMSE users that any alternative allocations result in no less frequency availability than at present.

### **Question 14**

*Do you agree with our approach to determining eligibility for, and our assessment of the level of, funding to move PMSE from channel 69?*

Strongly disagree.

The funding eligibility criteria are preposterous!

The CSMG and BEIRG reports both indicate that PMSE equipment may last substantially longer than ten years and has an ongoing market value. Hence compensation for redundant equipment should be based on actual market value, not a simplistic 10 year linear depreciation model. If this proves impractical to implement, a 25 year linear depreciation model may prove acceptable to the industry (we are aware of 20-year old equipment that is still functional and has a value on the secondary market).

The “cut-off” date of 2 February 2009 is unfair as it penalises users that purchase equipment after this date. Given that there is currently no alternative to channel 69 equipment, users should be compensated for all purchases made up to a cut-off date at a future date, to be

agreed once channel 38 is confirmed (if it is confirmed) and after it has been proven as reliable.

### **Question 15**

*Do you agree that three years is long enough for PMSE to move from channel 69?*

Disagree strongly.

Currently, there is no channel 38 equipment on the market. Also users will be reluctant to risk investing in equipment that operates on an unproven channel.

### **Question 16**

*Do you agree that with our analysis of the key impacts of our policy options? Are there any other key impacts we should assess?*

Strongly disagree.

The analysis seems to minimise the impact on the PMSE sector. We would refer Ofcom to the BEIRG report which we agree with. The conclusions of CSMG are similar. Access to current spectrum using analogue technology will need to continue for the medium term.